

Message Text

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PAGE 01 STUTTG 01282 01 OF 02 291510Z
ACTION EUR-12

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R 291440Z JUL 77
FM AMCONSUL STUTTGART
TO SECSTATE WASHDC 3725
USDOC WASHDC
AMEMBASSY BONN
AMEMBASSY VIENNA
AMEMBASSY BERN
AMCONSUL HAMBURG
USMISSION USBERLIN
AMCONSUL BREMEN
AMCONSUL DUSSELDORF
AMCONSUL FRANKFURT
AMCONSUL MUNICH

UNCLAS SECTION 1 OF 2 STUTTGART 1282

FRANKFURT ALSO FOR USTS

E. O. 11652: N/A
TAGS: BEXP GW AU SZ
SUBJ: FOREIGN BUYER PROGRAM - INTELCOM '77 ATLANTA

REF: USDOC 12774, USDOC 14152

SUMMARY

IT APPEARS DOUBTFUL THAT THE RED CARPET INTELCOM 77 PROMOTION WILL BE UP TO ORIGINAL EXPECTATIONS, ALTHOUGH IT REMAINS PROBABLE THAT A GROUP OF 30-50 FOREIGN BUYERS WILL ATTEND FROM GERMANY, AUSTRIA AND SWITZERLAND. A VARIETY OF FACTORS AFFECTING INTELCOM OFFER AREAS OF STUDY FOR IMPROVING FUTURE CCP FOREIGN BUYER PROMOTIONS.
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ADDITIONAL PROMOTIONAL MATERIAL ON INTELCOM IS NOW AVAILABLE AND SHOULD BE OF VALUE IN A FINAL PROMOTIONAL EFFORT.

END SUMMARY

1. WITH NINE WEEKS REMAINING UNTIL THE SCHEDULED DEPARTURE

OF THE FBP INTELCOM TRIP, A CLOSE EXAMINATION OF THE PRESENT STATUS OF THE PROMOTION IS WARRANTED, WITH AN EYE TO DETERMINING WHAT ADDITIONAL PROMOTIONAL EFFORTS MAY BE APPROPRIATE, AND WHAT LESSONS THIS FIRST CCP RED CARPET PROMOTION MAY HAVE ON FUTURE FBP TRIPS. AS OF JULY 27, HAPAG-LLOYD REPORTS THAT THERE ARE NO DEFINITE PAID BOOKINGS FOR THE TOUR. THIS RAISES THE QUESTION OF WHETHER THE MINIMUM NUMBER OF BOOKINGS REQUIRED FOR THE TRIP (30) WILL BE REACHED. HAPAG-LLOYD REMAINS CONVINCED, HOWEVER, THAT THE REASON FOR THE LACK OF BOOKINGS IS THE PRESENT GERMAN VACATION PERIOD. AS AN EXPERIENCED TOUR OPERATOR, HAPAG-LLOYD BELIEVES THAT DEFINITE BOOKINGS WILL APPEAR ONLY IN LATE AUGUST OR EARLY SEPTEMBER AS GERMAN BUSINESSMEN RETURN FROM SUMMER VACATIONS AND SETTLE DOWN TO THE FALL AND WINTER WORK LOAD. USTS FRANKFURT CONCURS THAT THIS IS A NORMAL PROBLEM THIS TIME OF YEAR, AND AGREES WITH HAPAG-LLOYD THAT THE TOUR WILL INDEED MATERIALIZE.

2. NEVERTHELESS, THIS LACK OF RESPONSE FROM POTENTIAL BUYERS, COMBINED WITH SEVERAL OTHER FACTORS, RAISES THE QUESTION IN OUR MINDS AS TO WHETHER THE INTELCOM FBP TRIP WILL IN THE END BE UP TO EXPECTATIONS.

3. AMERICAN EXPRESS, WORKING WITH THE INTELCOM SHOW PRODUCER IN THE UNITED STATES AND LONDON, HAS PUT TOGETHER AN INTELCOM PACKAGE TOUR BASED ON A CHARTER FLIGHT FROM UNCLASSIFIED

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LONDON WHICH UNDERCUTS THE GROUP FARE PRICE WE ARE OFFERING IN GERMANY. IN THE PAST SEVERAL WEEKS AMERICAN EXPRESS U.K. HAS BEGUN TO WORRY THAT THEIR CHARTER FROM LONDON WOULD NOT BE FILLED, AND HAS APPROACHED THEIR EUROPEAN OFFICES FOR SUPPORT IN FILLING THE LONDON CHARTER. THIS CHARTER IS NOW BEING ACTIVELY PROMOTED IN SWITZERLAND IN COMPETITION TO THE FBP TRIP. ALTHOUGH AMERICAN EXPRESS IN GERMANY HAS ALSO BEEN APPROACHED BY THEIR LONDON AFFILIATE, THEY HAVE APPARENTLY NOT YET BEGUN ACTIVE PROMOTION OF THEIR TOUR.

4. THE UNSETTLING FACT ABOUT THE AMERICAN EXPRESS TOUR IS THAT IT IS BEING SUPPORTED DIRECTLY BY THE SHOW PRODUCERS, WHO PROVIDED LISTS OF POTENTIAL GERMAN TRAVELLERS TO AMERICAN EXPRESS GERMANY, AND INDIRECTLY BY USDOC. THE "PRELIMINARY EXPOSITION PROGRAM" RECENTLY SUPPLIED BY HORIZON HOUSE, AND SENT ON USDOC PROVIDED SIC NUMBER GUMMED LABELS TO FIRMS IN GERMANY, PROVIDES ONE-HALF COLUMN INCH OF FINE PRINT TO OUR FBP RED CARPET TRIP, AND TWO FULL COLORED PAGES TO THE AMERICAN EXPRESS TRIP. THE JUST RECEIVED MULTILANGUAGE BROCHURE, COORDINATED BY USDOC WITH THE SHOW PRODUCER, MAKES NO MENTION OF THE

FBP TRIP, BUT PROVIDES FULL INFORMATION ON THE RIVAL
NON-USG-SUPPORTED AMERICAN EXPRESS TRIP. THIS MAKES THE
MULTILANGUAGE BROCHURE USELESS AND INDEED COUNTER PRO-
DUCTIVE FOR THE GERMAN-AUSTRIAN-SWISS RED CARPET PROMOTION
ON WHICH WE HAVE BEEN CONCENTRATING OUR EFFORTS FOR THE
PAST SIX MONTHS.

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AMCONSUL FRANKFURT
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FRANKFURT ALSO FOR USTS

5. A FURTHER DISTURBING FACTOR IS THE APPARENT DOUBTS ON
THE SHOW'S SUCCESS VOICED BY THE SHOW PRODUCERS THEMSELVES
IN USDOC 14152. IT IS APPARENT THAT THE ADDED INCENTIVE
OF ADDITIONAL DISCOUNTS OFFERED IN THIS CABLE TO FOREIGN
VISITORS ATTENDING THE INTELCOM TECHNICAL SESSIONS COMES
FROM A LACK OF INTEREST IN THESE SESSIONS SHOWN BY PO-
TENTIAL ATTENDEES UP UNTIL THE PRESENT TIME. THIS IS BORN
OUT, AT LEAST IN THE STUTTGART AREA, WHERE INTEREST IN
THE SHOW FOCUSES ON PRODUCTS AND NEW TECHNOLOGIES ON DIS-
PLAY RATHER THAN ON FINANCIAL AND TECHNICAL SEMINARS. THE
SHOW SPONSOR'S CONCENTRATION ON THIS ACADEMIC SIDE OF
INTELCOM MAY ALSO BE COUNTER PRODUCTIVE IN GERMANY, WHERE
THE REPEATED DEMAND OF POSSIBLE ATTENDEES IS FOR EXACT
LISTS OF FIRMS AND PRODUCTS TO BE DISPLAYED, WITH LITTLE

OR NO INTEREST IN THE SEMINARS.

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6. A FURTHER AREA OF CONCERN FOR SOME GERMAN FIRMS IS THE FACT THAT INTELCOM IS THE FIRST ATTEMPT AT A MAJOR TELECOMMUNICATIONS SHOW IN THE UNITED STATES, AND IS THEREFORE AN UNKNOWN QUANTITY. THIS FACT, COMBINED WITH THE APPARENT POOR REPUTATION OF PREVIOUS HORIZON HOUSE TELECOMMUNICATIONS SHOWS IN GENEVA, HAS CAUSED AT LEAST ONE LARGE GERMAN FIRM TO HESITATE TO ATTEND INTELCOM.

7. WHETHER THE FBP INTELCOM TRIP SUCCEEDS OR FAILS, AS THE FIRST RED CARPET PROMOTION IT WILL IN EITHER CASE PROVIDE KNOWLEDGE VALUABLE TO FUTURE SUCH CCP PROMOTIONS. AT THIS POINT IN THE "GAME PLAN", SEVERAL LESSONS HAVE ALREADY BEEN LEARNED. THESE MUST BE MORE ABSOLUTE COORDINATION AND COOPERATION BETWEEN USDOC, THE FOREIGN SERVICE POSTS, AND THE SHOW PRODUCERS, IN ORDER TO AVOID COMPETING TOUR PROGRAMS. THERE MAY BE VALUE IN THE FUTURE IN CONCENTRATING ON ESTABLISHED AND WELL KNOWN SHOWS, RATHER THAN APPROACHING THE DOUBLE HURDLE OF HAVING TO PROMOTE THE SHOW ITSELF BEFORE BEING ABLE TO PROMOTE THE FOREIGN BUYER TOUR. IN ANY FUTURE RED CARPET PROMOTION A MAJOR ATTEMPT SHOULD BE MADE IN WASHINGTON TO OBTAIN FOR THE FIELD AS SOON AS POSSIBLE AN EXACT PRODUCT LIST OF THE ITEMS TO BE EXHIBITED. THOUGHT SHOULD ALSO BE GIVEN TO THE TARGET AUDIENCE FOR EACH TOUR, PRIOR TO THE SELECTION OF A SHOW FOR CCP PROMOTION. IF THE LIKELY ATTENDEES ARE IMPORTERS, RETAILERS AND MID-LEVEL MANAGEMENT, AS WOULD BE EXPECTED TO ATTEND A HARDWARE OR SPORTING GOODS SHOW, A GROUP TOUR IS APPROPRIATE. WITH INTELCOM, HOWEVER, IT APPEARS A HIGHER LEVEL OF MANAGEMENT, APPARENTLY MAINLY FROM LARGER GERMAN ELECTRONICS FIRMS, IS THE GROUP MOST INTERESTED IN VISITING THE SHOW. TO THIS GROUP, THE SHOW ITSELF IS MORE IMPORTANT THAN THE TOUR PACKAGE, AND AN ATTENDEE

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WOULD BE MORE LIKELY TO HAVE HIS OR HER FIRM ARRANGE INDEPENDENT TRAVEL FOR THOSE ATTENDING. ONE SUCH EXECUTIVE IN BADEN-WUERTEMBERG HAS TOLD US THAT AT HIS LEVEL NO GERMAN EXECUTIVE WOULD TRAVEL AS FAR AS ATLANTA WITHOUT TACKING ON ADDITIONAL BUSINESS APPOINTMENTS IN OTHER AREAS OF THE UNITED STATES, DEMONSTRATING A FURTHER PROBLEM FACING A GROUP TOUR PROMOTION. FINALLY, THE QUESTION OF WHETHER THE TIME AND EFFORT REQUIRED FROM USDOC AND THE

NINE PARTICIPATING FIELD POSTS IS JUSTIFIED BY A GROUP OF 30-50 BUYERS SHOULD BE CONSIDERED. ALTHOUGH MORE EXACT FIGURES WILL NOT BE AVAILABLE UNTIL AFTER THE END OF THE PROMOTION IN OCTOBER, AT PRESENT, FROM THE FIGURES AVAILABLE FROM GERMAN POSTS' CCP PROGRESS REPORT NUMBER 3, SOMETHING IN THE NEIGHBORHOOD OF 200 TO 300 HOURS APPPEAR TO HAVE BEEN DEVOTED TO PROMOTING INTELCOM, WITH SIGNIFICANT ADDITIONAL HOURS HAVING BEEN INVESTED IN VIENNA, BERN AND WASHINGTON. WHETHER THIS INVESTMENT IS WORTH THE RETURN IS A QUESTION THAT SHOULD BE CONSIDERED, PERHAPS AT THE NOVEMBER COMMERCIAL OFFICERS' CONFERENCE IN BERLIN.

8. IN SPITE OF THE ABOVE PROBLEMS, WE AGREE WITH HAPAG-LLOYD THAT THE INTELCOM TRIP WILL MATERIALIZE. IN THE HOPE OF ENGENDERING A FINAL PROMOTIONAL EFFORT, WE ARE TODAY SENDING TO POSTS INVOLVED THE FOLLOWING MATERIAL:

- A) AN EXACT PRODUCT LIST AND FIRM LIST FOR INTELCOM
- B) AN INTELCOM "EXPOSITION PROGRAM" LISTING IN DETAIL AVAILABLE TECHNICAL AND FINANCIAL SEMINARS TO BE HELD AS PART OF THE SHOW IN ATLANTA.
- C) THE ABOVE DISCUSSED MULTILANGUAGE BROCHURES
- D) COPIES OF USDOC 12774 AND 14152, NOT ORIGINALLY SENT TO ALL POSTS
- E) A COPY OF THE BROCHURE ON THE RIVAL AMERICAN EXPRESS TOUR.

9. WHILE WE REALIZE PARTICIPATING POSTS HAVE ALREADY OFFERED EXCELLENT SUPPORT FOR INTELCOM, IN LIGHT OF THE UNCLASSIFIED

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ABOVE DISCUSSION A FINAL PROMOTIONAL PUSH BETWEEN NOW AND THE END OF SEPTEMBER COULD GREATLY HELP THE CHANCES FOR A SUCCESSFUL TRIP. FROM OUR PAST EXPERIENCE, STUTTGART WILL CENTER THIS PUSH ON THE AVAILABILITY OF EXACT PRODUCTS TO BE ON DISPLAY IN ATLANTA, THROUGH SELECTED CALLS AND FOLLOW-UP MAILINGS. WE WOULD VERY MUCH APPRECIATE ANY ADDITIONAL MEASURES POSTS MAY FEEL APPROPRIATE IN THEIR OWN DISTRICTS, AND WOULD WELCOME COMMENTS OR SUGGESTIONS, PARTICULARLY AS TO HOW THE INTELCOM EXPERIENCE MAY EFFECT FUTURE RED CARPET PROMOTIONS.

JENKINS

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